

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

July 18, 2019

Aeronautics Administration Building, Lansing, Michigan

MEETING MINUTES

Members Present: Michael D. Hayes, STC Vice Chair
George K. Heartwell, STC Commissioner
Charles F. Moser, STC Commissioner
Helen Zeerip, STC Commissioner

Members Absent: Todd A. Wyett, STC Chair
Chris J. Yatooma, STC Commissioner

Also Present: Director Ajegba, Michigan Department of Transportation
Laura Mester, CAO, MDOT
David Brickey, Assistant Attorney General, Transportation Division
Jeff Cranson, Office of Communications, MDOT
Troy Hagon, Commission Advisor
Patrick McCarthy, Director, MDOT Bureau of Finance
Brad Wieferich, Director, MDOT Bureau of Development
Jason Gutting, Engineer, MDOT Construction Field Services Division
Jack Cotter, Commission Auditor, Office of Commission Audits
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits
Janie Gallimore, Executive Assistant, Office of Government Affairs, MDOT
Ashleigh Houska, General Office Assistant, Office of Commission Audits
About 15-20 people were in the audience.

I. WELCOME

Vice Chair Hayes called the meeting to order at 10:06 a.m.

• *Director's Report*

Director Ajegba spoke on several topics like, Workforce and Succession Planning System (aka the "MDOT House"), 2020 Standard Specifications for Construction, Lettings, Tons and Squares, Bridge Bundling, and Towards Zero Deaths. To view the Director's presentation and learn on each topic he presented, you can visit https://www.michigan.gov/documents/mdot/071819_STC_Directors_Report_665365_7.pdf.

II. COMMISSION BUSINESS

• *Minutes of April 18, 2019, Commission Meeting (motion required)*

Vice Chair Hayes requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter explained that in accordance with U.S. Department of Transportation and Federal Highway Administration (FHWA) Titles 23 and 2 of the Code of Federal Regulations, OCA is to accomplish its audits by following generally accepted government auditing standards and prescribes audit criteria to implement the provisions of the regulations. Audits must include, at a minimum, an examination of each auditee's system of internal control and the systems established to ensure compliance with laws and regulations affecting the expenditure of State and federal funds, financial transactions, and reports. Federal regulations provide for performing these audits, examinations, and reviews.

No motion required.

III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Patrick McCarthy***

Mr. McCarthy presented information on 42 agreements. Pending any questions, Mr. McCarthy asked for approval of Exhibit A.

Vice Chair Hayes requested a motion regarding approval of Exhibit A. Commissioner Moser made a motion to approve and Commissioner Heartwell supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Patrick McCarthy***

Mr. McCarthy presented information about Letting Statistics and Exhibit A-1. Exhibit A-1 listed 7 constructions projects to be let August 9, 2019, all over \$500,000. Pending any questions, Mr. McCarthy asked for approval of Exhibit A-1.

Vice Chair Hayes requested a motion regarding approval of Exhibit A-1. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Vice Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-3: Information for the Commission – Patrick McCarthy***

Mr. McCarthy provided information on two projects in which the bid was under five hundred thousand dollars (\$500,000) and has less than two bidders, or has a low bid rejection, or has other bid issues. The contracts for these projects will, at the Director's discretion, be processed and awarded to the low bidder.

No motion required.

- ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for April, May, and June
 - 58 projects totaling approximately \$290 million were finalized.
 - 2 projects were more than 10 percent over the original contract amount
 - 36 projects came in under original contract amount

- Final monthly contract costs were respectively -1.33, -4.98, and 3.33 when compared to their original contract amount.
- Fiscal year to date is averaging 0.02 percent over original contract amount.
- Local Agency Projects for April, May, and June
 - 80 projects totaling approximately \$69 million were finalized.
 - 6 projects were more than 10 percent over the original contract amount
 - 48 projects came in under original contract amount

No motion required.

IV. **INFORMATIONAL REPORTS**

- *Director's Agenda, June 20, 2019 – Patrick McCarthy*
- *State Administrative Board Agenda, June 25, 2019 – Patrick McCarthy*

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PUBLIC COMMENT**

No public comments.

VI. **ADJOURNMENT**

With no further business being before the Commission, Vice Chair Hayes declared the meeting adjourned at 12:02 p.m.

VII. **NEXT MEETING**

The next full meeting will be held Thursday, October 17, 2019, New Hudson, MI.

Troy Hagon
Commission Advisor